

REMARKS

In the Office Action, all independent claims 1, 3, 10 and 13 were rejected under 35 U.S.C. § 101 on the basis that the claimed invention is allegedly directed to non-statutory subject matter. Applicants respectfully traverse the rejections of record.

According to the Examiner, the claims are allegedly directed to a process that “does nothing more than manipulate an abstract idea”, and further according to the Examiner, “[t]here is no practical application in the technological arts.” (Office Action, p. 2). Applicants respectfully disagree.

According to the Federal Circuit, the inquiry into patentability under § 101 turns on whether, from a practical standpoint, the method or algorithm can be applied in a “useful” way. (See, e.g., *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 USPQ 2d 1596 (Fed. Cir. 1998)). The statutory exclusion of processes or algorithms is limited to *abstract ideas* which have no utility. (Id.)

The claimed invention relates to more than just an abstract idea, and has useful applications in the technological arts. The specification of the present application comprises 67 pages of description and 6 drawings which provide detailed information pertaining to exemplary embodiments of the claimed invention - namely, a method *and system* for conducting secure financial transactions over a computer network. For example, the exemplary embodiment of Fig. 1 provides support for certain processing components used in accordance with a system and method of the present invention. Moreover, as discussed in the “Background of the Invention”, the present invention is useful for ensuring the security of payments made over a computer network, and for thereby decreasing the risk of theft or misuse of financial information. (See Specification, ¶0003). The Specification is replete with references to tangible, practical technical applications, including financial card account numbers (¶00028), internet access devices,

websites, and other computer systems (§0031-32), a Cardholder's PC (§0043), an actual financial transaction over a computer network (§0049-), the modification of financial transaction data for security purposes (§0082), communication between a Cardholder computer system and a merchant's computer system (§0129), etc. It therefore cannot be said that the present invention relates merely to an "abstract idea" which has no practical application in the technical arts.

In view of the foregoing remarks, favorable reconsideration and allowance of claims 1-14 are respectfully solicited. In the event that the application is not deemed in condition for allowance, the examiner is invited to contact the undersigned in an effort to advance the prosecution of this application.

Respectfully submitted,



Robert C. Scheinfeld
PTO Reg. No. 31,300
(212) 408-2513

Robert L. Maier
PTO Reg. No. 54,291
(212) 408-2538

Attorneys for Applicants

BAKER BOTTS L.L.P.
30 Rockefeller Plaza
New York, NY 10112